

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

CODE OF FAIR COMPETITION SERIES—CODE No. 2

CODE OF FAIR COMPETITION
FOR THE
SOUTHERN RICE MILLING INDUSTRY

Approved by the President of the United States
November 21, 1933

1. Executive Order
2. Letter of transmittal (Secretary of Agriculture)
3. Letter of transmittal (Administrator, NRA.)
4. Code



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

EXECUTIVE ORDER

Approval of Code of Fair Competition for the Southern Rice Milling Industry

Whereas the Secretary of Agriculture and the National Recovery Administrator having submitted for my approval a Code of Fair Competition for the Southern Rice Milling Industry and having rendered their separate reports and recommendations and findings thereon:

Now, therefore, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do hereby find that:

1. An application has been duly made, pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for my approval of a Code of Fair Competition for the Southern Rice Milling Industry; and,

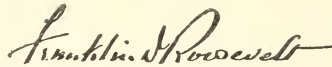
2. Due notice and opportunity for hearings to interested parties has been given pursuant to the provisions of the Act and regulations thereunder; and,

3. Hearings have been held upon said Code, pursuant to such notice and pursuant to the pertinent provisions of the Act and regulations thereunder; and,

4. Said Code of Fair Competition constitutes a Code of Fair Competition, as contemplated by the Act and complies in all respects with the pertinent provisions of the Act, including clauses (1) and (2) of subsection (a) of Section 3 of Title I of the Act; and,

5. It appears, after due consideration, that said Code of Fair Competition will tend to effectuate the policy of Congress as declared in Section 1 of Title I of the Act.

Now, therefore, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of the National Industrial Recovery Act, approved June 16, 1933, and otherwise, do hereby approve said Code of Fair Competition for the Southern Rice Milling Industry.



President of the United States.

THE WHITE HOUSE,
November 21, 1933.

AGRICULTURAL ADJUSTMENT ADMINISTRATION

LETTER OF TRANSMITTAL

NOVEMBER 20, 1933.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: I have the honor to submit the following:

1. There is transmitted herewith a Code of Fair Competition for the Southern Rice Milling Industry, which I recommend for your approval and which the National Recovery Administrator recommends for your approval with reference to the labor provision thereof. There accompanies the Code the report of the Agricultural Adjustment Administrator, the report of the National Industrial Recovery Administrator, and a true, correct, and complete stenographic report of all the evidence introduced at a public hearing on said Code, held pursuant to Section 3 (a), Title I of the National Industrial Recovery Act.

2. By virtue of Executive Order No. 6182, of June 26, 1933, as supplemented by Executive Order 6207, of July 21, 1933, and Executive Order No. 6345, of October 20, 1933, which, pursuant to Title I of the National Industrial Recovery Act of June 16, 1933, delegated to me, as Secretary of Agriculture, certain of the powers vested in the President of the United States by the aforesaid Act, and after considering the aforesaid Code of Fair Competition and a true, correct, and complete stenographic report of all the evidence introduced at such public hearing, and being fully advised in the premises, I make the following findings:

1. That an application has been duly made by the Southern Rice Milling Industry pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for the approval of the President, of the Code of Fair Competition for the Southern Rice Milling Industry. The Committee making such application and the advisory body provided for in such Code are truly representative of the industry.

2. That the Southern Rice Milling Industry, covered by such Code, is included within the trades, industries, or subdivisions thereof enumerated in Executive Order No. 6182 of June 26, 1933, as supplemented by Executive Order No. 6207 of July 21, 1933, and Executive Order No. 6345 of October 20, 1933.

3. That the provisions of the Code establishing standards of fair competition (a) are regulations of interstate and foreign commerce and (b) are reasonable.

4. That the Code is not designed to promote monopolies or to eliminate or oppress small enterprises, and will not operate to discriminate against them and will not permit monopolies or monopolistic practices.

5. That the Code will not prevent an individual from pursuing the vocation of manual labor and selling or trading the

products thereof nor prevent anyone from marketing or trading the produce of his farm.

6. That due notice and opportunity for hearing, in connection with the aforesaid Code, has been afforded interested parties, in accordance with Title I of the National Industrial Recovery Act and applicable regulations issued thereunder.

7. That said Code will tend to effectuate the declared policy of Title I of the National Industrial Recovery Act as set forth in Section 1 of said Act in that the terms and provisions of such Code tend: (a) To remove the obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; (b) to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups; (c) to eliminate unfair competitive practices; (d) to promote the fullest possible utilization of the present productive capacity of industries; (e) to avoid undue restriction of production (except as may be temporarily required); (f) to increase the consumption of industrial and agricultural products by increasing purchasing power; and (g) otherwise to rehabilitate industry and to conserve natural resources.

8. That said Code, when approved by the President, will constitute a Code of Fair Competition for the Southern Rice Milling Industry within the meaning of Section 3 (a) of Title I of the National Industrial Recovery Act, and complies with all the pertinent provisions of the Act.

Respectfully,

Henry A. Wallace

Secretary of Agriculture.

NATIONAL RECOVERY ADMINISTRATION

LETTER OF TRANSMITTAL

OCTOBER 13, 1933.

The PRESIDENT,
The White House.

SIR: I have the honor to submit and recommend for your approval the Labor Provisions for the Southern Rice Milling Industry, to be made part of a Code of Fair Competition for this Industry.

By Executive Order of June 26, 1933, the power to approve or disapprove provisions of any Code of Fair Competition referring to "the determination and administration of provisions relating to hours of labor, rates of pay, and other conditions of employment" in trades, industries, or subdivisions thereof, and engaged principally in the handling of all foods and foodstuffs, are reserved to the President pursuant to the authority vested in him by Title I of the National Industrial Recovery Act. Pursuant to this Executive Order the National Recovery Administration held a Hearing on the Labor Provisions for the Southern Rice Milling Industry on September 7, 1933, in Room 3444, South Building, Department of Agriculture, and the Deputy Administrator has recommended approval of these provisions in the report transmitted herewith, which I approve and adopt.

(1) I find that the provisions of the code relating to maximum hours of labor are believed to be such that employment in the industry will be increased at least twenty percent, which will result in raising employment substantially above the level in any census year of the past decade. No employer in the industry will employ any minor under the age of sixteen years.

(2) The minimum wage proposed for common labor represents a considerable increase over rates paid in prosperous years in the past, and will effect a substantial improvement in the standards of the lowest-paid workers in the industry and will conform with the standards set up for other southern industries using a large allowance of rural labor, such as lumber, fertilizer, and steel.

I have examined the Labor Provisions for the Southern Rice Milling Industry and find that these provisions and all clauses in the Code dealing directly with or having any bearing upon hours of labor, rates of pay, and other conditions of employment comply in all respects with the pertinent provisions of Title I of the Act, including, without limitation, Section 7 (a) and Section 10 (b) of the Act.

Accordingly, I hereby recommend the approval of the Labor Provisions for the Southern Rice Milling Industry.

Respectfully,



Administrator.

CODE OF FAIR COMPETITION FOR THE SOUTHERN RICE MILLING INDUSTRY

ARTICLE I

PURPOSE

Whereas, it is the declared policy of Congress as set forth in Section 1 of Title I of the National Industrial Recovery Act—

to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof; and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanctions and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources;

Now therefore, to effectuate such policy, the following provisions are established as a code of fair competition for the Southern Rice Milling Industry, and upon approval by the President, shall be the standards of fair competition for such industry and shall be binding upon every member thereof.

ARTICLE II

DEFINITIONS

SECTION 1. As used in this code—

(a) The term "President" means the President of the United States.

(b) The term "Secretary" means the Secretary of Agriculture of the United States.

(c) The term "National Recovery Administrator" means the duly designated representative of the President to administer such functions and powers under Title I of the National Industrial Recovery Act as are not delegated to the Secretary by Executive Order.

(d) The term "act" means Title I of the National Industrial Recovery Act, approved June 16, 1933.

(e) The term "person" means individual, partnership, corporation, association, and any other business unit.

(f) "The Southern Rice Milling Industry" includes the milling of rice in any of the states of Louisiana, Arkansas, Texas, and Tennessee, and/or the marketing thereof.

(g) The term "employee" means any person engaged in the industry in any capacity receiving compensation for his services, irrespective of the nature or method of payment of such compensation.

(h) The term "employer" means any person by whom any such employee is compensated or employed.

(i) The term "member of the industry" means any person engaged in the industry, either as an employer or on his own behalf.

(j) "Rough Rice" means rice from which the hull has not been removed.

(k) "Clean Rice" means rice which has been converted into marketable and edible form.

(l) "Books and Records" means books, records, accounts, contracts, documents, memoranda, papers, correspondence, or other written data pertaining to the business of the person in question.

(m) "Subsidiary" means any person, of or over whom, a member of the industry has, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner.

(n) "Affiliate" means any person who has, either directly or indirectly, actual or legal control of or over a member of the industry, either by stock ownership or in any other manner.

(o) "Control Committee" means the Control Committee created pursuant to Article VIII thereof.

(p) "Packaged Rice" means rice packed in any type of container having a net weight of 5 pounds or less.

ARTICLE III

HOURS

SECTION 1. No employee shall be permitted to work in a milling plant or mill warehouse in excess of 48 hours in any one week or 8 hours in any 24-hour period, except that—

(a) Executives, mill superintendents, warehouse foremen, engineers, buyers, and graders receiving \$35.00 or more per week are specifically exempted from any hour limitations.

(b) Firemen, watchmen, repair or maintenance crews may work in excess of the standards. However, time and one third shall be paid for weekly overtime.

(c) The maximum number of hours for office employees shall not exceed 44 hours per week.

SECTION 2. No Miller shall use any machine in one week for more than 96 hours.

ARTICLE IV

WAGES

SECTION 1. No employee shall be paid at less than the following rates:

(a) Mill and warehouse labor, 25 cents an hour.

(b) Office employees, \$13.50 per week for a 44-hour week.

SECTION 2. This Article establishes a minimum rate of pay, regardless of whether an employee is compensated on a time-rate, piecework, or other basis.

ARTICLE V

GENERAL LABOR PROVISIONS

SECTION 1. After the effective date of this Code, no individual under 16 years of age shall be employed in the industry, nor anyone under 18 years of age at operations or occupations hazardous in nature or detrimental to health. The supervisory body for the industry shall submit to the National Recovery Administrator before December 15, 1933, a list of such occupations. In any State an employer shall be deemed to have complied with this provision if he shall have on file a certificate or permit duly issued by the authority in such State empowered to issue employment or age certificates, or permits showing that the employee is of the required age.

SECTION 2. All employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

SECTION 3. No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

SECTION 4. Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

SECTION 5. Within each State this code shall not supersede any laws of such State imposing more stringent requirements on employers regulating the age of employees, wages, hours of work, or health, fire, or general working conditions than under this code.

SECTION 6. Employers shall not reclassify employees or duties of occupations performed by employees so as to defeat the purposes of this code.

SECTION 7. Each employer shall post in conspicuous places full copies of the code.

ARTICLE VI

UNFAIR METHODS OF COMPETITION

A. The following practices constitute unfair methods of competition:

SECTION 1. *False advertising.*—To publish or disseminate in any manner any false advertisement. An advertisement shall be deemed to be false if it is untrue in any particular, or if directly or by ambiguity or inference it creates a misleading impression.

SECTION 2. *Misbranding.*—To sell or otherwise introduce into commerce any food that is misbranded. A food shall be deemed to be misbranded—

(a) *Standards of fill.*—If its container is so made, formed, or filled as to mislead the purchaser, or (2) its contents fall below the standard of fill to be prescribed by regulations of the Secretary hereunder.

(b) *Standards of identity*.—If it purports to be or is represented as a food for which a definition of identity has been prescribed by regulations of the Secretary hereunder and fails to conform to the definition.

(c) *Standards of quality*.—If it purports to be or is represented as a food for which standards of quality have been prescribed by regulations of the Secretary hereunder, and (1) fails to state on the label, if so required by the regulations, its standard of quality in such terms as the regulations specify, or (2) falls below the standard stated on the label.

(d) *Label requirements*.—(1) If in package form and it fails to bear a label containing the name and place of business of the manufacturer, packer, seller, or distributor.

(2) If its label fails to bear (1) the common or usual name of the food, if any there be, and (2) the common or usual name of each ingredient thereof in order of predominance by weight; except that spices, flavors, and artificial colors may be designated as such without naming each spice, flavor, or artificial color. The Secretary is hereby authorized to prescribe by regulations requirements for such further information on the label thereof as he may deem necessary to protect the public from deception.

(3) If any word, statement, or other information required on the label to avoid misbranding under any provision of this section is not prominently placed thereon in such a manner as to be easily seen and in such terms as to be readily intelligible to the purchasers and users of such articles under customary conditions of purchase and use.

(e) *Food and Drugs Act requirements*.—If it is misbranded within the meaning of the Federal Foods and Drugs Act, as now or hereafter amended.

SECTION 3. As used in sections 1 and 2 of this article, the term "food" means human and animal foods, including beverages, confectionery, and condiments, and all substances or preparations used for food or entering principally into the composition of food.

SECTION 4. *Producer standards*.—Subject to such regulations as may be prescribed by the Secretary, to purchase from, or sell or otherwise dispose of on behalf of, any producer or association of producers, any agricultural commodity that is the product of the farm of such producer or a member of such association, except in accordance with such definitions of identity and standards of quality as may be promulgated for such agricultural commodity by regulations of the Secretary prescribed hereunder.

SECTION 5. To make sales or accept orders which express or contemplate any guarantee against changes in price, and to ship on consignment, or deliver clean rice to a customer or customer's agent, on which a definite or fixed price has not been made, except in the case of packaged rice.

SECTION 6. To mill rice which has not been purchased by the member of the industry performing such milling operation, but this section shall not be construed as prohibiting the Arkansas Rice Growers Cooperative Association from milling rice for its members on the contractual basis prevailing upon the effective date hereof.

SECTION 7. To mix head rice of different varieties and/or second heads of different varieties for sale in the continental United States.

SECTION 8. To make any concession, rebate, refund, discount, or allowance of any nature whatsoever, whether in the form of money, merchandise, or other gratuity, but nothing in this Code contained shall prohibit the payment of brokerage charges, allowance of free storage of rough rice in a mill or warehouse owned by a member of the industry, or the payment of patronage dividends by a cooperative association.

SECTION 9. To purchase or attempt to purchase by private agreement or otherwise any rough rice which has been offered for sale on sealed bids, except upon a sealed bid of a definite price, and in the event of rejection of all such sealed bids no member of the industry shall purchase or attempt to purchase said rice, or any part thereof, within ten days of such rejection, unless said rice shall again be offered for sale upon sealed bids, provided that the high bidder upon any lot of rough rice offered at sealed bids, and upon which all bids have been rejected, may at any time purchase such rice at or above the price bid by him when the rice was offered on sealed bids.

SECTION 10. To make any offer in any manner whatsoever for any rice which another member of the industry has purchased or contracted to purchase, or to induce or attempt to induce, directly or indirectly, a breach of a contract to sell rice; to pay, directly or indirectly, a fee or gratuity to or in any manner whatsoever induce or attempt to induce any warehouseman or his employee, farmer or his agent, or farmers' organization or employee for the purpose of influencing the sale of any rice.

SECTION 11. To participate in a joint bid on or jointly purchase rough rice unless the names of the bidders, and among which bidders the rice is to be distributed, are disclosed.

REGULATIONS

B. Regulations for the purposes of this article shall be prescribed by the Secretary only after due notice and opportunity for hearing to members of the industry and other interested persons.

ARTICLE VII

REPORTS

SECTION 1. The members of the Industry shall severally, from time to time, upon the request of the Secretary (or the Secretary or the National Recovery Administrator in case of information relating to hours of labor, rates of pay, or other conditions of employment), furnish such information, on and in accordance with forms of reports to be supplied, as may be deemed necessary for the purposes of (1) assisting in the furtherance of the powers and duties of the Secretary or the National Recovery Administrator with respect to this code and/or (2) enabling the Secretary or the National Recovery Administrator to ascertain and determine the extent to which the declared policy of the act and the purposes of this code will be effectuated, such reports to be verified under oath.

SECTION 2. The members of the industry shall severally permit, for the same purposes and/or to enable the Secretary or the National Recovery Administrator to verify the information furnished on said forms of reports, all their books and records and the books and records of their affiliates and subsidiaries, to be examined by the Secretary or the National Recovery Administrator during the usual hours of business.

SECTION 3. The members of the industry shall severally keep books and records which will clearly reflect all financial transactions of their respective businesses and the financial condition thereof, and shall see to it that their respective subsidiaries and affiliates keep such records.

SECTION 4. All information furnished by the Secretary pursuant to this article shall remain confidential in accordance with the applicable General Regulations, Agricultural Adjustment Administration.

ARTICLE VIII

CONTROL COMMITTEE

SECTION 1. The members of the industry shall elect a Control Committee of seven members, which shall be approved by the Secretary. Three members shall be selected from Louisiana, two from Arkansas, and two from Texas. Each member of the Control Committee shall be chosen by a weighted majority vote of all the members of the industry, and for such purpose each vote shall be entitled to the weight which the volume of rough rice milled by each member of the industry during the preceding calendar year bears to the total volume of rough rice milled in said year.

SECTION 2. The Control Committee shall at its organization meeting, and from time to time thereafter, elect such officers and adopt such rules for the conduct of its business as it may deem advisable. Vacancies in the Control Committee shall be filled in the same manner and shall be subject to the same approval by the Secretary as the predecessor members.

SECTION 3. The Control Committee shall supervise obedience to this Code and compliance with the policy of Title I of the National Industrial Recovery Act and act as intermediary between the Secretary, the Administrator, and the members of the industry and shall cooperate with the Secretary and the Administrator in the administration of this Code.

SECTION 4. The Control Committee shall hear and dispose of all questions, disputes, and complaints arising in connection with this Code: *Provided, however*, that if a member of the Control Committee shall in any case be a disputant, or a representative of a disputant, he shall, for the purpose of the consideration of such controversy, be disqualified as a member of the Control Committee.

SECTION 5. Each member of the industry shall file with the Control Committee such reports at such times and in such form as the Control Committee may from time to time prescribe, and shall substantiate such reports in such manner as the Control Board may prescribe. The details of such reports shall be confidential, and the Control Committee shall not disclose to any person other than the

Secretary and/or the Administrator information covering the business of any person. It shall be the duty of the Control Committee to furnish to the Secretary and/or the Administrator upon request any and all information furnished by the members of the industry pursuant to this article.

SECTION 6. If information shall come to the knowledge of any person of the violation of this Code, he shall notify the Control Committee of such violation by a written statement containing the charges and all available substantiating evidence.

SECTION 7. If the Control Committee upon receipt of information shall find therein evidence that a member of the industry is violating the terms of this Code, it shall thereupon be the duty of the Control Committee to investigate such suspected violation. The Control Committee may call upon the member of the industry to furnish a statement of the facts under oath. After due investigation, if it is the opinion of the Control Committee that the charges are true, it shall report such violation to the Secretary and/or the Administrator together with its recommendation as to appropriate action thereon.

ARTICLE IX

DURATION OF IMMUNITIES

SECTION 1. The benefits, privileges, and immunities conferred by this code shall cease upon its termination except with respect to acts done prior thereto.

ARTICLE X

AGENTS

SECTION 1. The Secretary and the National Recovery Administrator may each, by designation in writing, name any person, including any officer or employee of the Government, to act as his agent in connection with his respective powers and duties under any provision of this code.

ARTICLE XI

MODIFICATION

SECTION 1. This code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provision of section 10 (b) of the act, from time to time, to cancel or modify any order, approval, license, rule, or regulation issued under the act, and specifically, but without limitation, to the right of the President to cancel or modify his approval of the code or any conditions imposed by him upon his approval thereof.

ARTICLE XII

EFFECTIVE TIME

SECTION 1. This code shall become effective on the 10th day after its approval by the President.

